

# **Whatcom County Fire District #5**

## **Point Roberts Fire Department**

**2030 Benson Road, Suite A**

**Point Roberts, Washington, 98281**

**Special Meeting of the Board of Commissioners**

**May 22<sup>nd</sup>, 2023**

### **MINUTES**

In Attendance: Commissioner Virginia Lester  
Commissioner Norm Katz  
Commissioner Pat Harper  
Chief Christopher Carleton  
District Secretary Linda Hughes  
Financial Manager Patty Markel

Guests: All Point Bulletin - Pat Grubb  
Mark Robbins  
Bill Zidel

#### **A. CALL TO ORDER**

The meeting was called to order at 4:05 p.m. by Commissioner Lester.

#### **B. DISCUSS POTENTIAL LEVY/BOND FOR DISTRICT**

Chief Carleton began by pointing out that the last levy adjustment was in 2010. He noted that he had not yet received any questions from members of the public on this issue. He further noted that the approved Capital Facilities Plan is posted to the District's website at [www.WCFD5.com](http://www.WCFD5.com) under the heading "News." Chief reiterated that he would be very happy to meet with any members of the public to discuss the proposed funding for the future District needs.

Chief also noted that legal counsel Brian Snure was not available to attend this meeting, but perhaps he would be able to attend one of the upcoming; June 6th or June 12th meetings. Mr. Snure will be taking care of the necessary paperwork, once a decision has been reached on this issue.

Commissioner Lester asked Chief Carleton to review the levy that provides the majority of funding for the District. Chief noted that in 2010, the District asked for and received an increased

permanent levy, which has sustained the operational needs of the District since then. The amount of funding the levy generates will eventually not be sufficient, and he projects that the District will be in a deficit position in just a few years. At the moment, the District has identified \$4.2 million in capital needs, plus we will likely need additional paid personnel, at approximately \$30,000 per person, per year. Chief is currently looking into the legal responsibilities of hiring part-time paid personnel.

Chief noted that the approved levy in 2010 equated to \$0.84 per thousand, which has been sufficient until recently, but the cost of operations, inflation and the aging fleet of apparatus have all increased and will eclipse current funding and put the District in a deficit position if not addressed. He stressed the importance of procuring funding of the needs outlined in the Capital Facilities Plan, and the other financial needs of the District, in order to continue to protect and serve this community.

A bond is one option that has been discussed in these Special Meetings, but it should be noted that the bond rates have recently risen, increasing the potential cost of servicing a bond.

Chief reviewed a variety of outcomes of the options currently being discussed. If a bond were approved now, that would allow necessary purchases and improvements to move forward, but the District would also need to service that debt, and a lower percentage levy lid lift would be sufficient for that purpose. If it is decided to pursue a levy lid lift, and not a bond for capital improvements, then the amount required would need to be much higher, as those funds would have to be reserved annually until enough has been saved to make necessary capital improvements and apparatus replacements.

Chief reviewed the current 1% maximum annual levy increase, which currently equates to about \$6,000.00 in funding each year.

Commissioner Lester indicated that it looked to her like a levy could be sustainable, but asked Chief if there were any other options to increase revenue. Chief replied with a review of the District's various revenue streams and their limitations. He added that costs are rising and are currently up 4%, far outpacing the revenue increase of 1.7% per year. He noted that already we are unable to outfit all of our firefighter volunteers, adding that some of the new members personally purchase their own gear.

Commissioner Harper noted that although cost increases have been identified at 4% currently, there is no guarantee that trend will continue, and could become worse. Chief agreed.

Chief reviewed the current financial holdings, noting that there is approximately \$1.1 million in reserves now. Financial Manager Markel identified the various accounts those funds are held in, including a payroll account (\$2,500), expense account (\$645,000), capital investment account (\$231,968), reserve investment account (\$284,500) and a donations account (\$14,276). She noted that all funds are held in trust by the County, and that the accounts are segregated for different reasons.

Chief noted comments from Mark Robbins on the Chat feature of the Zoom platform, where Mr. Robbins (a representative of the Point Roberts Taxpayers Association) suggested that the District pursue a levy lid now, which he would ask the Taxpayers Association to support, and potentially go for a bond in a few years. Chief responded that a levy would be helpful for the increased operational costs but that some of the capital costs would then have to be delayed until enough money had been saved to incur those expenditures. Chief agreed that with a levy increase in the short term, some of the capital expenditures could be realized quickly, and then we could reduce

the need for a larger bond later. A larger levy might go so far as to eliminate the need for a bond altogether.

Chief added, financing capital expenditures is also an option for the future, but a levy lid lift would have to be high enough to service any loan debt. Currently, the District is a zero-debt organization. No debt, no leases. The inherent risk of financing, is a stretch on the revenue stream needed to support that debt, which also removes those funds from availability for operational needs.

A bond is an additional taxpayer burden. Chief noted that if the District chooses to procure a non-voted bond, (allowed up to a small percentage of total property value in Point Roberts) we would then have to service the debt of that bond from revenue.

Commissioner Katz noted that he feels the levy lid lift is the way to go, but asked Chief if he thought asking the voters for both could be detrimental to one or the other. Chief replied in the affirmative, noting that it's a big risk to have both items before the voters, because if the bond does not pass then the levy lid lift will not be enough to support the capital needs of the District. If the bond does pass but the levy does not, then the bond would have to be serviced from the current revenue stream.

Commissioner Lester asked if we would look at a levy lid lift to fund some of our capital needs, and borrow some funds from the District's reserves. Chief replied that we will almost certainly need to borrow funds from our reserves, but we should be prudent and keep a reasonable amount in reserve at all times. He feels that a bare minimum of 6 months operating costs should be maintained in reserve.

Chief asked Financial Manager Markel what the District's average monthly operating costs are. She replied that she didn't have an average immediately available, but that May was \$51,000, and speculated that average might be between \$35,000 and \$50,000. Chief said that even with an assumed average of \$40,000 average, he feels we should keep a minimum of \$400,000 in reserve.

Pat Grubb, APB, asked about the costs of a bond. Chief replied that Jim Nelson had provided those figures at an earlier meeting but that they were not immediately available at this meeting and he couldn't recall from memory.

Commissioner Katz noted that Chief Carleton's worksheet of prospective costs went as high as \$0.50 per thousand and asked if we could raise that. Chief replied that we would be allowed to go as high as \$1.50 per thousand. Commissioner Katz would like to see the chart expanded to consider higher levy amounts. Chief will run the numbers for \$0.55 and \$0.60 for the next meeting.

Commissioner Lester asked how many homes in Point Roberts are assessed under \$500,000? Chief will look into finding that information for the next meeting.

The next two Special Meetings will be held June 6th and June 12th, at 4:00 o'clock, and the next regular meeting of the Commissioners is scheduled for June 14th.

Commissioner Katz feels he will have more questions to review before making any type of decision on this issue. Chief encouraged more questions and is happy to seek any answers he doesn't have.

Chief reviewed a number of additional services the District could offer to the community in the future. For instance, ambulance costs are a big deterrent to patients. They often refuse the trip to

the hospital because of the ambulance cost and the cost to get home from the hospital. Chief would like to implement a ride home service for those patients.

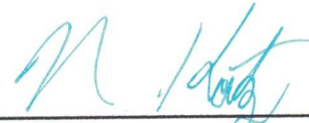
A bit more discussion ensued from attendees wanting to support the District and ensure well-funded emergency response services in this community.

### C. ADJOURNMENT

As there was no further business, Commissioner Harper moved to adjourn the meeting at 4:55 pm. Commissioner Katz seconded the motion. **Motion passed 3 – 0.**



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Commissioner Virginia Lester

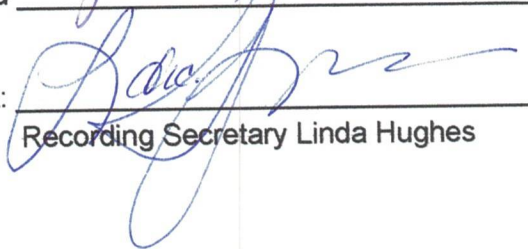


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Commissioner Norm Katz



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Commissioner Pat Harper

Dated June 14, 2023

Attest:   
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Recording Secretary Linda Hughes